



25 Sigourney Street
Hartford CT 06106-5032

STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

PS 2001(9)

POLICY STATEMENT

**Sales and Use Taxes on Sales and Purchases
Made by Veterinarians**

Purpose: This Policy Statement provides guidance on the taxability of prescription and nonprescription drugs and medicines for veterinary use.

Effective Date: October 1, 2000.

Statutory Authority: Conn. Gen. Stat. §12-412(4) and Conn. Gen. Stat. §12-412(48) as amended by 2000 Conn. Pub. Acts 174, §11.

Sales That Are Exempt: Sales of the following items made by veterinarians or retailers other than veterinarians are exempt from sales and use taxes:

1. Medicine sold only by prescription, as defined by federal or Connecticut law.

The medicine must be labeled with either:

- The *Federal Legend* required by 21 U.S.C. §353(b) ("Caution: Federal law prohibits dispensing without prescription."); or
- The *Veterinary Label* required by 21 U.S.C. §353(f) ("Caution: Federal law restricts this drug to use by or on the order of a licensed veterinarian.").

Under Conn. Agencies Regs. §12-426-13, the medicine must be prescribed by a person authorized by Connecticut law to issue prescriptions.

2. Nonprescription drugs and medicines that are described in Conn. Gen. Stat. §12-412(48). See **Special Notice 2001(3)**, *Sales and Use Tax Exemptions for Nonprescription Drugs and Medicines and Smoking Cessation Products*.
3. Syringes and needles sold only by prescription.

4. Dietary supplements for animals that are specifically designed and marketed as dietary supplements in the form of vitamins, minerals, tonics, and other nutritional substances to be given to an animal, in addition to, rather than instead of, its regular food.

Sales That Are Taxable: The following items are taxable whether sold by veterinarians or other retailers:

- Pet supplies, such as specially formulated pet foods, flea or tick treatments, pet carriers, or leashes;
- Products whose labels only contain words such as "sold exclusively through veterinarians," "available through veterinarians only," "for veterinary use only," or similar words without the *Federal Legend* or *Veterinary Label*.

Purchases by Veterinarians: Veterinarians who have been issued a seller's permit by Department of Revenue Services (DRS) and, therefore, are registered as retailers, may purchase items that they will resell in the regular course of their business without paying tax. They must provide properly executed resale certificates to their suppliers. To be issued a seller's permit, a veterinarian must file **Form REG-1**, *Business Taxes Registration Application*.

On the other hand, supplies purchased by veterinarians to be used in their practice, including, but not limited to, cotton balls, bandages, scalpel handles and blades, instruments, equipment, and office furniture, are taxable and may not be purchased on a resale basis. If, for any reason, a veterinarian purchases

such items without paying tax, the veterinarian must file **Form OS-114**, *Sales and Use Tax Return*, and report the purchase price of such items and pay use tax.

Prescription medicines used by veterinarians in their profession are not subject to sales and use taxes.

Free Samples: Free samples are exempt from sales and use taxes.

Effect on Other Documents: **Policy Statement 2001(9)** modifies and supersedes **Policy Statement 92(11.2)**, *Sales and Use Taxes on Sales and Purchases Made by Veterinarians*, which may no longer be relied upon on or after the date of issuance of this publication.

Effect of This Document: A Policy Statement is a document issued by DRS that explains in depth a current position, policy, or practice affecting the tax liability of taxpayers.

For Further Information: Please call DRS during business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday:

- **1-800-382-9463** (toll-free within Connecticut), or
- **860-297-5962** (from anywhere)

TTY, TDD, and Text Telephone users only may transmit inquiries 24 hours a day by calling 860-297-4911.

Forms and Publications: Forms and publications are available all day, seven days a week:

- **Internet:** Preview and download forms and publications from the DRS Web site: **www.drs.state.ct.us**
- **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu.
- **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (toll-free within Connecticut) and select **Option 2** from a touch-tone phone.